

Well, by conveniently thus far using \$16 billion of OMB scoring, it allows us to spend money. Well, this might help us on the budget caps debate, but it does not change the bottom line when we finish the year.

Any spending for any purpose, whether it is an agricultural emergency, which we have, whether it is the health care emergency that we have in rural America, whether it is the short-changing of home health care, which we are doing under current law, unless we change it, all of these spending decisions are going to be real dollars. So somehow, some way I hope that we can find a way to accept what the gentleman from Texas (Mr. TURNER) and I and, if the gentleman from Texas (Mr. SANDLIN) does not get over here I have a statement that I want to put in for him, and if some of our colleagues who are perhaps here and are going to be joining us soon, we the Blue Dogs are both extending our hand to both the leadership of the House and to the President of saying take another look of what we propose and how we propose it and if they do not like what we are talking about, perhaps there is some compromises that can be reached.

One thing we feel very strongly about, that we should not spend projected surpluses for any purpose until they materialize. If they do and we pay down the debt, to me and to us, the best tax cut we can give all of the American people is to reduce the debt sufficiently that the Federal Reserve is convinced that we will maintain fiscal responsibility in our spending habits and instead of increasing interest rates over the next several months, as they have done twice in the last month, month and a half, if we can bring interest rates down we know that a 1 percent reduction in the interest rate that affects student loans, credit card bills, home mortgages, car auto loans, all of the things that all of working America use every day, it is estimated at \$200 billion to \$250 billion a year.

Why is that so difficult for our colleagues who continue to believe that the best tax cut is the one that they send to the President of which he is going to veto? I do not understand. We do not understand that.

To those that suggest spending, let me make this suggestion, and this is a Blue Dog suggestion. This has been in our budget proposal all year. Let us all acknowledge the fact that spending caps have worked. We, the last two, three, four Congresses, have done a fairly responsible job in reducing discretionary spending. In fact, we went a little too far in the area of defense and we are now having to put some of it back because this is no longer a safe world, and we heard the gentleman from Pennsylvania (Mr. WELDON) talking about a little different component of that.

The caps have worked. But why is it so difficult to admit that perhaps what we did in 1997, in which most people acknowledged then that it was going to

be difficult to make those cuts because we back end loaded it, what does that mean in plain English?

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It said, Congress, in 1997, chose not to make the tough decisions, we punted it to the 1999 Congress. That is why we are having such a difficult time.

Why do we not go back and do it the way we used to do it around here, 2 years ago, 3 years ago, 5 years ago, 10 years ago. Why do we not go back and have a new set of budget caps on appropriation bills that are set and will be agreed to by a majority on both sides of the aisle of what the new spending restraints ought to look like. As I answered a businessman's question earlier today in another meeting I was in, he said when in 1997 when the Congress did what you did, the markets reacted favorably, because they believed that you were going to get a fiscally responsible Congress for a change and markets react to that, and I said there is no reason why we cannot do that again. We can do the same thing again. We can have a new set of caps that we live with that will get us on track. Why is it so difficult for us to do?

Let me pause right now and recognize one of my colleagues, the gentleman from Texas (Mr. TURNER) for any comments that he might like to add at this time.

Mr. TURNER. Mr. Speaker, I thank the gentleman for yielding. I want to compliment the gentleman on his strong leadership that he has given to us in this Congress on fiscal issues. He has always stood for fiscal conservatism, and I think the issues that we are talking about today we need to have a full debate and discussion on them.

I had the opportunity over the last few weeks during our August recess to stop in 70 communities in my east Texas district, and I did a little coffee shop tour and I went around and visited with folks in those coffee shops where we all know they solve a lot of problems early in the morning. And I just talked to them about this tax reduction proposal that had just passed in the Congress, I talked to them a little bit about the national debt, and it was indeed refreshing to me to see how well the people of my district understand what is really going on here in Washington. A lot of folks up here have talked about a surplus, and we all know the truth of the matter is the surplus that is being talked about is merely a projection of what might happen over the next 10 years. In truth and fact, it is based on some assumptions that may not even turn out to be true. We really may never have a surplus.

In fact, I will not forget what one gentleman told me down in Willis, Texas at the first stop that I made at the Willis City Hall, and he said to me, after I began to talk about the surplus and the national debt, he raised his hand and he said, Congressman, he says, you all do not have any surplus in

Washington, you have a \$5 trillion national debt. You cannot have a surplus if you owe \$5 trillion. And that makes a lot of sense.

It is hard to understand how, after the Federal Government spent more money every year for 30 years, ran up a \$5.5 trillion national debt that we would come up here in this hallowed hall and declare we have a surplus, particularly when the surplus is only an estimate. It is not here yet; we have not seen it yet; it may never show up. And yet, the majority in this Congress saw fit to pass a \$792 billion tax reduction over 10 years that absorbed all of the anticipated, hoped for, not here yet surplus in the general fund of the Federal budget.

Now, that was just irresponsible. The people of this country understand that it was irresponsible, and they understand that if one is fiscally conservative, one pays their debts. And now that we have a hope of better economic times in the Federal budget, what we ought to be doing is paying down that \$5.5 trillion national debt.

The Blue Dog Democrats made a proposal on the floor of this House just before the recess when we were debating that \$792 billion tax cut. We had an alternative that we voted for. In fact, most of the Democrats in this House voted for it. That was a very simple plan. It said, if we do have a surplus over the next 10 years, what we ought to do is dedicate half of it to paying down that national debt, and we ought to set aside 25 percent of it to be sure that we save Social Security and Medicare, both of which, by the way, are going into bankruptcy. After all, 30 years from now, they tell us there are going to be twice as many people over 65 in this country as we have today. And the projections have been before this Congress for months, for years, that Social Security and Medicare will be insolvent.

Mr. Speaker, we have been real lucky with Social Security for a long time. We put more money in the trust fund every year in payroll taxes than we took out in benefits. But to tell us that in 15 years when most of us baby boomers begin to retire, that is going to change. We are going to be paying out more money in benefits every year than we take in.

One of the reasons that we feel so strongly about paying down the national debt is that it will allow us to pay back that debt that we owe the Social Security Trust Fund, because somebody some years ago in this Congress decided it was a smart thing to do to use the surplus in the Social Security Trust Fund to run the rest of the government that was running in a deficit instead of borrowing it from the public. So it borrowed from Social Security. We are going to need that money in the Social Security Trust Fund real soon. It is time to start paying back that debt, and we can do that, by paying down the national debt, because \$800 billion of that \$5.5 trillion